

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROUGH RIVER WATER)	
SYSTEM FOR A RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	89-207
FOR SMALL UTILITIES)	

O R D E R

In its application for a rate increase, filed July 26, 1989, Rough River Water System, Inc. ("Rough River") requested that 1987 be used as the test year. By Order entered August 31, 1989, the Commission directed Rough River to use 1988 as the test year, citing a diminished value of the water usage information from 1987 due to the inaccuracy of customer readings made during most of that year. On September 25, 1989, Rough River asked the Commission to reconsider its August 31, 1989 Order.

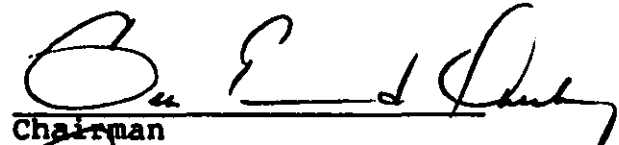
The Commission is persuaded that using 1988 as the test year would enhance significantly the likelihood of the Commission's receiving the accurate data required for a well-reasoned decision in this case. Rough River read the meters during all of 1988; the customers read the meters for two-thirds of 1987, resulting in estimates of water usage for that year. The Commission prefers known and measurable adjustments as opposed to estimates where both are available. Too, it appears to the Commission from Rough River's request for reconsideration that Rough River is far along in gathering the information for the 1988 test year and to

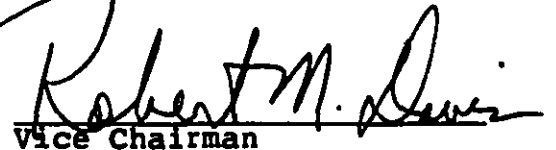
complete gathering the needed information will not be unduly burdensome.

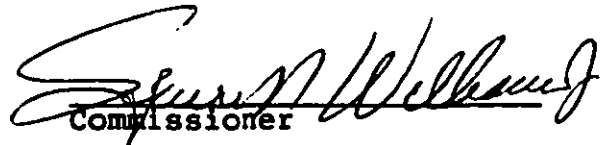
IT IS THEREFORE ORDERED that Rough River's request for reconsideration of the Order entered August 31, 1989 shall be and hereby is denied and Rough River shall use 1988 as the test year in this case.

Done at Frankfort, Kentucky, this 12th day of October, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director